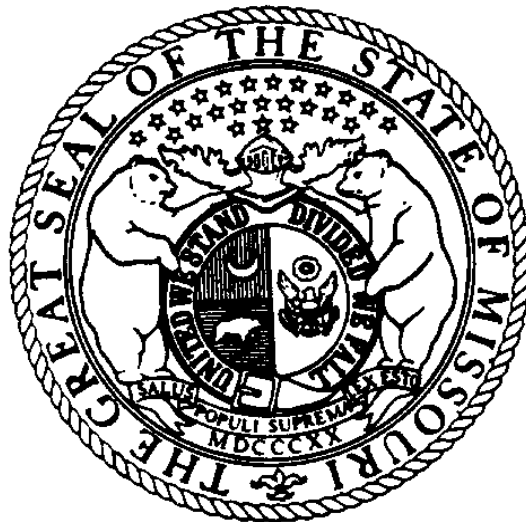


REPORT
OF
THE JOINT INTERIM COMMITTEE
ON
VETERANS' ISSUES



October 2004

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October ___, 2004

The Honorable Peter Kinder, President Pro Tem of the Senate
The Honorable Catherine Hanaway, Speaker of the House of Representatives
State Capitol
Jefferson City, MO 65101

Dear Mr. President and Ms. Speaker:

The Joint Interim Committee on Veterans Issues, has met, taken testimony, deliberated, and concluded its study on issues confronting the veterans' homes in Missouri and the role of the state in assisting returning veterans to receive their entitled benefits. The undersigned members of the Committee are pleased to submit the attached report.

Senator Peter Kinder, Chair

Representative Jack Jackson, Vice-Chair

Senator John Cauthorn

Representative Bob May

Senator Delbert Scott

Representative Gary Dusenberg

Senator Harry Kennedy

Representative Bill Ransdall

Senator Charles Wheeler

Representative Gary Kelly

Joint Interim Committee on Veterans' Issues

I. OVERVIEW

As a result of the changing environment surrounding Missouri's veterans and the increased recognition for the necessity of additional programs to assist the recently deployed men and women of Missouri, the Joint Interim Committee on Veterans' Issues was charged with investigating the adequacy of funding for the Missouri Veterans Commission's Homes Program, the solvency of the Veterans Commission Capital Improvements Trust Fund, and determining legislative action to assist Missouri National Guardsmen and women, Reservists and Active Military Missouri residents deployed as a result of the President's War on Terrorism.

Nationally over 73 percent of military personnel separated from active duty since September, 2001 are Reservists and National Guardsmen and women. These extensive deployments of Missouri's citizens from the National Guard and Reserves have created an enormous disruption in their lives and those of their families – creating many unmet needs which must be addressed.

In addition, their return to civilian life will significantly add to the already increasing number of claims for federal benefits requiring the assistance of trained service officers and access to readily available, accurate and complete information about benefits eligibility.

To reconcile these concerns, the Joint Interim Committee on Veterans' Issues was created. The Committee held a number of public hearings and solicited testimony regarding a wide range of concerns related to veterans issues. Hearings were held in the following locations:

September 9, 2004	Jefferson City, MO
September 13, 2004	St. Louis, MO
September 17, 2004	Jefferson City, MO
September 21, 2004	Kansas City, MO.

Based on the testimony and handouts provided by the Missouri Veterans Commission, the Missouri National Guard, members of the United States Army Reserves, various veterans organizations, and other interested persons, the Committee developed and adopted a list of recommendations. What follows is a summary of the testimony received by the Committee in section II of this report and the recommendations that have been adopted by the Committee in section III of this report.

II. SUMMARY OF TESTIMONY

In the course of four public hearings, the Committee gathered a tremendous amount of information about the many issues facing veterans and recently deployed

soldiers. What follows is a summary of the major issues heard by the Committee and the testimony of witnesses regarding those issues.

1. Assistance to Returning Troops

At the Committee's first meeting, Senator Kinder explained that one of the key issues to be addressed by the Committee would be exploring ways to provide our returning soldiers with adequate benefits such as health care, education, job training and transportation. The Committee heard from a number of witnesses over the course of its four public meetings with regard to how such assistance should be rendered.

At its September 9th meeting, the Committee heard from Captain Katherine Numerick, U.S. Army Reserves, who has been deployed for OPERATION IRAQI FREEDOM. Captain Numerick testified on the need for a full-time employee at the Missouri Veterans' Commission to assist veterans with their benefits. She preferred that such employee work for the Commission, rather than the Missouri Army National Guard. She said that soldiers from other branches of the military would not look to the Army National Guard for assistance because it simply doesn't make sense for them to do so. However, a Marine or Air Force veteran would think to call the Veterans' Commission for help. Additionally, she testified that it would be helpful to eliminate income taxes on military pay. She cited Florida and Texas as examples of states exempting such pay from income taxes. She also pointed to Illinois and Florida for having excellent post-service education benefits.

Pat Rowe Kerr, Operation Outreach Coordinator for the Missouri Veterans Commission, also testified on September 9th that many veterans access the Commission's services and that this is a new era in terms of the services they must provide. She said money needs to be used to re-train spouses, not just the soldiers. This could be done as an extension of GI benefits. Military families also need money for childcare and health care. She testified about the Veterans' Supermarkets they host across the state. These are designed to be one-stop shops for the veterans, a place where they can learn about all their benefits, ask questions, and file a claim on-the-spot.

With regard to the Veterans' Supermarkets, the Committee heard from Dewey Riehn, representing the Veterans of Foreign Wars (VFW), at its September 9th meeting. He testified that veteran service organizations, like the VFW, love the supermarkets. He testified about the Unmet Needs Program, which provides money to veterans' families for unforeseen emergencies, and the Hidden Heroes Program which manages food banks for family assistance in six locations around the state. He said these were good, solid mechanisms for helping the families of soldiers who have been deployed.

At the Committee's September 13th meeting, Ron Taylor, Executive Director of the Veterans Commission, testified that millions of dollars are paid each year in direct payments to the veterans by the Federal government. For the federal fiscal year ending in September 2003, the dollar amount was \$549 million. He said that millions of federal dollars means fewer state dollars and, hence, the incentive to make sure that veterans who

are eligible for benefits are, in fact, receiving them. He said we must be proactive and meet soldiers when they return to enroll them in benefit programs. We must have better outreach. It would require some resources to make this happen in a timely, efficient way, but in the long run it would save the state money. At the Committee's September 21st meeting, Mr. Taylor said that the number of Reservists and Guardsmen being activated is at its greatest since the Korean War. He said the VA and the active-duty military have a good process for counseling soldiers about benefits, but the process isn't so good for the Guard or Reservists. There are lots of soldiers being treated for Post Traumatic Stress Disorder (PTSD). He testified that the VA is the world-leader in treating PTSD. It would be good to make sure that all returning soldiers have access to VA treatment for PTSD and other mental illnesses. He said there needs to be one clearinghouse where veterans can go to get information about all of their benefits, such as eligibility and time limits. The Commission tries to get the word out in their "Welcome Home" letter, which is often a returning soldier's first contact with the VA. They've had 24 benefit supermarkets in 2½ years and have assisted 6,800 veterans.

Chaplain Assistant Sgt. 1st Class Reginald Johnson, Missouri National Guard, testified that we must provide care for traumatic events throughout the process, which includes educating soldiers about the events they might experience and the type of care and treatment that is available before they happen. He said it's important to provide medical, emotional and spiritual care. He said spiritual care is not necessarily religious. He said that chaplains work with soldiers on the spiritual questions because most mental health professionals usually aren't capable or as well-equipped to answer spiritual questions when they arise. He said a spiritual standard of care is necessary, but that it must not be proselytizing to the troops. He said evangelizing may occur as experiences are shared, but that this is not the same as proselytizing.

The Committee was also fortunate to receive testimony from Ms. Shandi Finnessey. She is currently Miss USA. As Ms. USA, she has made veterans' issues part of her platform. She spoke of her travels with the USO and how grateful the troops were for the interaction with celebrities. She testified that more than 50,000 soldiers died in Vietnam but twice that number have committed suicide since then. She said this illustrates the enormous need for troops to be taken care of when they return from battle. She said there's no greater issue than taking care of our troops when they return.

At the Committee's September 21st meeting, Lt. Col. Mark Corson, U.S. Army Reserves, testified that he has been deployed to Bosnia and OPERATION IRAQI FREEDOM. He presented a battle focus briefing on Missouri's Army Reserve units, a copy of which is attached in appendix 2. He said that, as the war goes on, he's concerned that soldiers' re-employment rights will be ignored by employers. He said we must ensure that applicable laws remain in force. He said that 30% of casualties are National Guardsmen and Reservists – not combat infantry. He said the government must take care of returning soldiers. He said that "one weekend a month/two weeks a year" is no longer a valid model for service for reservists. Exercises currently last at least three weeks. He said military leave time should be increased from 10 to 15 days. This would be more practical. He also said people could take leave without pay for as long as they're on

orders – but this is an obvious hardship. He said there should be no gap between full-time soldiers and reservists and guardsmen in terms of understanding their benefits. Full-time soldiers are generally deployed and returned in groups, whereas Reservists and Guardsmen sometimes go in smaller groups or as individuals. As a result, there may be gaps that need to be filled. He said re-training costs for a spouse are not covered by the GI Bill, but they should be because the spouse will probably need additional training in order to become the primary breadwinner while the soldier is deployed. We need to ensure that when we send someone into harm's way, that we take care of them.

Finally, the Committee heard from James Hughes, VFW. He testified that no veteran should be treated like the Vietnam Veterans were. He said that many Vietnam veterans do not receive benefits to which they are entitled. He said that a single location for information on benefits is desperately needed for military and spouses. The VFW wants this location to be in Veterans' Commission. He supports the Hidden Heroes project and the Unmet Needs program.

2. Missouri Veterans Homes and Cemeteries

The Committee received a great deal of information and testimony on the current needs of the Missouri Veterans Homes and the Missouri Veterans Cemeteries, as well as the solvency of the Veterans Capital Improvement Trust Fund (VCITF).

Emmett Fairfax, Chairman of the Missouri Veterans Commission, testified that 60-65% of Veterans Homes residents would be Medicaid eligible. If they were not in the Veterans Homes, these residents would be on the state's Medicaid rolls – which would be far more costly to Missouri. There are waiting lists at each of Missouri's seven Veterans Homes. At the end of July, 2004, nearly 1,100 veterans were on waiting lists. The state funds about 20% of the costs associated with the Veterans' Homes.

He also testified about the need to have more cemeteries. The cemetery in St. Louis will close in 2015. The Springfield cemetery is already closed – only spouses of veterans who are already buried there will be allowed in the future. No other veterans can be buried there. All of the cemeteries' operating costs are paid for by the state. The federal government pays to build the cemetery, but the state must pay to operate and maintain it. The federal government pays for grave markers.

In a comment echoed by many, Ernie Lee, representing the Missouri Association of Veterans Organizations, testified that the number one priority must be funding the VCITF. Right now, the veterans homes cannot compete on pay for nursing staff. As a result, they cannot adequately staff the homes.

At the September 13th meeting, the Committee heard from Commissioner Carl Niewoehner, Missouri Veterans Commission. He testified about the difficulty the veterans homes have hiring people at Missouri pay scale rates. Most other places will pay more. He said this is especially problematic because admissions to the home are directly tied to the number of employees they have because of a mandate for registered

nurses per resident. In the current fiscal year, the homes took a \$1 million hit in funding because prescription drugs increased by 12% and the per diem they receive per patient was cut by \$2 per resident. He said that for the last few years, medical care funding for VA hospitals has gone up by about 8% per year, but that the cost of pharmaceuticals is always increasing at more than 10% per year. They're constantly playing a game of catch-up. Most of the VA Hospitals' employees can work somewhere else for more money. The staff they have is loyal and dedicated, but he said the salary scale requirements must be changed so they can implement a competitive salary schedule. This is the only way they can hire much-needed staff.

The Committee also heard from Ron Taylor, Executive Director of the Missouri Veterans Commission regarding the VCITF. He testified that without an increase in funding, the Fund would be depleted by June 2005. With regard to the Veterans Homes, he testified that educational incentives and hiring bonuses should be considered for Veterans Homes staff.

Finally, the Committee heard from a number of witnesses, including Commander Richard Heigert of the American Legion, Stuart Ballou of the Korean War Veterans Association of Missouri, and Jim Rippy, a Missouri citizen and veteran, that testified about the urgency in maintaining the VCITF. They all testified about the need to maintain every bed in the Veterans Homes and every burial space in the Veterans Cemeteries. Mr. Rippy offered his opinion that the law should be amended so that the Fund should only be used for the maintenance of the Homes and Cemeteries.

3. Missouri Military Family Relief Fund

The last major issue where information and testimony was received by the Committee concerned the creation of a Missouri Military Family Relief Fund. Colonel John Cairer, Director of Civil/Military Relations for the Missouri National Guard, testified on behalf of Brigadier General Dennis Shull regarding the creation of such a fund. Col. Cairer testified about the need to create a \$1 check-off on Missouri state income tax returns for a newly created Veterans' Relief Fund. This check-off would be similar to the others currently on the form (e.g., the Children's Trust Fund) and it would be at the taxpayers option as to donate \$1 or not. The fund would also receive any other contributions made by individuals and corporations, apart from the tax return check-off. Col. Cairer noted that this proposal is similar to Senate Bill 1336, which was introduced by Senator Kennedy in the 2004 legislative session. This senate bill was not passed into law during the 2004 legislative session.

According to the proposal, members of the Missouri National Guard or Missouri residents serving in the Reserves who were called to duty after September 11, 2001 would be eligible to receive money from the fund. The money would help families while citizen-soldiers are on duty. Col. Cairer noted that military pay does not usually equal civilian pay. In fact, it's usually quite a bit less. Families often take a big financial hit when someone is deployed. This is why the creation of this fund is so critically important.

III. RECOMMENDATIONS

After review of all information received by the Committee during its four public hearings, the Committee determined that the following recommendations should be made to the General Assembly.

1. Commit full and adequate support to continued operation of all 1,350 beds at Missouri's veterans homes;
2. Ensure that the Veterans Commission Capital Improvement Trust Fund (VCCITF) is adequately supported and funded to maintain cemeteries' and homes' capital improvement projects and Veterans Service organizations' grants;
3. Establish the Family Military Relief Fund through an income tax check-off and other sources, to be administered through a joint program developed by the Missouri Veterans Commission and the Missouri National Guard;
4. Establish a non-merit Veterans Ombudsman program within the Missouri Veterans Commission to coordinate a one-stop clearinghouse for information on all veterans benefits for family members and deployed service personnel both during deployment and upon return;
5. Increase the state employees' paid military leave from 10 to 20 days annually;
6. Develop an educational program to provide financial assistance to spouses of disabled veterans wishing to return to school, since the spouse will now likely serve as the primary income generator;
7. Develop an educational program to provide financial assistance to spouses and dependents of deployed service personnel who have lost monthly income due to the deployment;
8. Provide state assistance for small business owners who are veterans;
9. Provide financial assistance for "gap" expenditures that families of injured veterans incur while seeking medical assistance for injured service member. These expenses might include child care, a nutritional supplement or a spouse's lost income while accompanying injured service person to medical appointments;
10. Revise Chapter 42 to broaden the mission of the Missouri Veterans Commission to include "servicemen and women of current deployments", not just "veterans who have been discharged, honorably or general.";
11. Repeal the state income tax on military pensions and the income of service personnel deployed to combat zones; and

12. Provide property tax relief for service personnel deployed to combat zones.